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Thailand

Grain and Feed

Corn PS&D Update

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Report Highlights:

Thailand's corn production for MY 2001/02 is estimated at 4.4 million tons, down from the new estimate of 4.7 million tons in MY 2000/01.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Bangkok [TH1], TH

SUMMARY

Based on FAS/Bangkok's recent field survey of the major growing areas, Thailand's corn production for MY 2001/02 is estimated at 4.4 million tons, down from the latest estimate of 4.7 million tons in 2000/01. Harvested area is forecast to decline by 2 percent from the last season, as unattractive prices in MY 2000/01 partly discouraged the planting of the rainy season corn crop. The incidence of dry conditions in July/August in some growing area also wiped out a portion of corn area. Dry conditions also affected average yields on harvested area in some provinces of the Central region (Lopburi, Uthai Thani, and Suphanburi), the Northeastern region (mainly Nakhon Ratchasima and Loei), and the Eastern region (Prachinburi and Sra Kaew). However, the production in other major growing area has been good to excellent, due to favorable climatic conditions and the increase in fertilizer use by farmers. All in all, average yields for the MY 2001/02 are estimated to drop from 3.87 tons/hectare in MY 2000/01 to 3.69 tons/hectare.

There has been no significant change in the harvesting period in MY 2001/02. Most corn production is supposed to be marketed from September to November. Domestic corn prices for MY 2001/02 are likely to improve from the previous season, due to the outlook of decreased supply availabilities and relatively weak Thai currency against a U.S. dollar. The current corn prices are about 4,400-4,500 baht/ton (US\$ 99-102/ton), as opposed to 3,500-3,600 baht/ton (US\$ 79-81/ton) in September 2000.

Due to the pressure from corn growers and local traders, the Government decided to continue its mortgage scheme for corn being marketed in MY 2001/02. Under the scheme, the Government stipulates that:

Participating farmers are able to mortgage both cob corn and grained corn. The target amount of mortgaged corn is 500,000 tons of grained corn or 650,000 tons of cob corn equivalent. Farmers must deliver their mortgaged corn to specified silos and a level of moisture in corn must not exceed 30 percent. The loan rates for cob corn vary from the lowest of 2.50 baht for corn with 25.1-30.0% moisture content to the highest of 3.27 baht/kg for corn with 14.5% or below moisture content. Those for grained corn also vary following the moisture content, between 3.39 baht/kg (25.1-30% moisture) and 4.19 baht/kg (14.5% or below). The period of the loan will not exceed 2 months, and farmers will be charged 5 percent per annum interest rate on the loan.

FAS/Bangkok's corn production estimate for MY 2001/02 and MY 2000/01 is as follows:

	Harvested Area (1,000 hectares)	Average Yields (tons/hectare)	Production (1,000 tons)
MY 2001/02			
- Upper North	192	3.75	720
- Lower North	424	3.81	1,617
- Central Plains	245	3.62	888
- Northeast	208	3.63	754
- Unclassified	115	3.44	396
Total	1,184	3.69	4,375
MY 2000/01			
- Upper North	200	3.88	775
- Lower North	432	3.93	1,701
- Central Plains	259	4.00	1,037
- Northeast	205	3.75	768
- Unclassified	112	3.50	392
Total	1,208	3.87	4,673

Based on the revised production estimate and updated information on both demand and supply, the PS&D table for corn is modified as follows:

Despite the outlook for decreased supply availabilities, exports of corn in MY 2001/02 may reach 400,000 tons based on the actual export sales of almost 200,000 tons in the first quarter of the new marketing year (July-September 2001) and the prospect of attractive world corn prices. Domestic consumption should continue to grow in line with an expansion in livestock production, especially a broiler industry. An increase in total demand and limited supply should lead imports of corn in the second half of MY 2001/02 (January-June 2002). Imports of corn may increase to 300,000 tons in MY 2001/02, as opposed to only 6,000 tons in MY 2000/01.

As for MY 2000/01, we are revising the estimate of corn production upward from 4.4 million tons to 4.7 million tons, because a group of farmers increased the planting of off-season crop in several provinces and the impact of nearly-perfect weather conditions on average yields were higher than expected. Both total imports and exports of corn have been revised to correspond with the actual data. Due to abundant supplies and relatively low domestic prices, Thailand's exports increased to 271,000 tons in MY 2000/01. The major buyers were Malaysia, Indonesia, Singapore, and Taiwan.

PSD Table						
Country	Thailand					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised1999		Preliminary2000		Forecast2001	
	Old	New	Old	New	Old	New
Market Year Begin	07/1999		07/2000		07/2001	
Area Harvested	1150	1150	1170	1210	1200	1180
Beginning Stocks	300	399	240	466	240	601
Production	3900	3900	4400	4700	4500	4400
TOTAL Mkt. Yr. Imports	390	387	200	6	300	300
Oct-Sep Imports	450	400	200	6	300	300
Oct-Sep Import U.S.	1	0	0	0	0	0
TOTAL SUPPLY	4590	4686	4840	5172	5040	5301
TOTAL Mkt. Yr. Exports	75	20	300	271	400	400
Oct-Sep Exports	75	20	300	400	400	250
Feed Dom. Consumption	4150	4150	4200	4250	4300	4350
TOTAL Dom. Consumption	4275	4200	4300	4300	4400	4400
Ending Stocks	240	466	240	601	240	501
TOTAL DISTRIBUTION	4590	4686	4840	5172	5040	5301